

SERVcorp

ASX announcement

29 June 2020

The Manager
Company Announcements Office
Australian Securities Exchange

SERVcorp USA UPDATE

Servcorp Limited ABN 97 089 222 506 (SRV) announces today the closure of 12 locations in the United States of America (USA) by way of reorganisation.

The USA cities (locations) closed include Atlanta (2), Boston (1), Dallas (2), Los Angeles (2), Miami (1), Philadelphia (1), San Francisco (2) and Washington DC (1).

Our remaining footprint in the USA constitutes Chicago (2), Houston (2), New York (5) and Washington DC (1).

We estimate the one-off, cash cost of the reorganisation to be \$5.5 million (US\$3.8 million). Effective 26 June 2020 the reorganisation will result in the deconsolidation (and yet to be calculated one-off, non-cash deconsolidation loss) of the associated legal entities. Full details of the reorganisation will be included in the Servcorp Consolidated Financial Report for the year ending 30 June 2020.

Servcorp has proven over the more than forty years of its existence to be a robust business, and this remains the circumstance today. We are confident following this reorganisation that Servcorp USA will emerge a stronger business.

Our reorganisation of the USA does not mean Servcorp's global footprint will shrink. Indeed, in this time of opportunity, we are passively looking for locations in which to expand in early calendar year 2021.

Servcorp, the market leader in the flexible workplace industry, and in providing superior IT and business infrastructure solutions, operates 127 floors in 43 cities across 21 countries.

This ASX announcement is approved and authorised by the Board of Directors of Servcorp Limited.

For more information contact

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